

THE CORPORATION TAX REPORT

LETTER ON INTERSTATE COMMERCE QUESTION

STEAMERS WOULD HAVE FAIR DEAL UNDER THE LAW

EDITOR STAR:—The matter of proposed amendment to "The Act to regulate commerce" to include steamships doing business between the ports of the Territory of Hawaii, is now up for discussion, but the general public has, I believe, little knowledge of that law and of its actual working. Prior to the enactment of the so-called "Inter-State Commerce Act" some railroads not only granted lower rates to large than to small shippers, but even paid cash rebates to the large shipper on shipments made by the small shipper. That state of affairs brought about the passage of "The Act to Regulate Commerce."

The gist of the law is set out in the following quotations from the Act, viz:

"All charges made for any service rendered or to be rendered in the transportation of passengers or property as aforesaid, or in connection therewith, shall be just and reasonable; and every unjust and unreasonable charge for such service or any part thereof is prohibited and declared to be unlawful."

"That if any common carrier subject to the provisions of this act shall, directly or indirectly, by any special rate, rebate, drawback or other device charge, demand, collect, or receive from any person or persons a greater or less compensation for any service rendered, or to be rendered in the transportation of passengers or property, subject to the provisions of this act, than it charges, demands, collects, or receives from any other person or persons for doing for him or them a like and contemporaneous service in the transportation of a like kind of traffic under substantially similar circumstances and conditions, such common carrier shall be deemed guilty of unjust discrimination, which is hereby prohibited and declared to be unlawful."

The law further provides that all rates shall be publicly posted.

As a result of an appropriation by the Territorial Legislature, Congressmen were invited to visit this Territory at our expense, to see with their own eyes the conditions which prevailed, and to do what they could as members of Congress for the welfare of the Territory.

One of the number, a Mr. Good of Iowa, was so much impressed with the Inter-Island Steam Navigation Co.'s apparent monopoly that he introduced a proposed amendment to

the Inter-State Commerce Act, which would bring the Inter-Island Steam Navigation Company and other water transportation companies doing business between the Island ports under the regulation and control of the Inter-State Commerce Commission, which Commission was created by Congress some years ago for the purpose of regulating commerce as above set forth.

The president of the Inter-Island Steam Navigation Co. recently stated, in an interview published in a newspaper, that there was no discrimination in steamship freight rates and that placing the steamship company under the control of the Commission would work a hardship on the people of this Territory by preventing the getting up of excursions, as rates were required to be published say 30 days in advance of the effective date of such tariffs. If this statement were true, it would appeal to the travelling public as shutting them off from the privilege of occasionally securing cheaper transportation by local steamers; but, as a matter of fact, the commission allows reduced rates for three-day excursions upon the posting of one day's notice locally, and the mailing of a copy of the same to the Commission; and for excursions of a duration of from four to thirty days, the Commission requires only a three-day local notice to be posted and the mailing of a copy to the Commission so that there is nothing to fear on that score.

The general impression obtains, and the small farmer and the small storekeeper believes, that they are discriminated against by the steamship company in favor of the large shippers, by having to pay from 50 to 100 per cent. higher freight rates for the same service than the plantation and other large shippers. If this impression is correct, the steamship company should certainly be brought under the Inter-state Commerce Act. If it is incorrect, they will not be harmed by the extension of the law to Hawaii. In other words, the law provides, and all that it provides is, that equal rates shall be given to all, under like conditions, and that those rates shall be made public.

By an amendment to the Interstate Commerce Act in 1906, railroads in Territories of the United States were brought under the control of the Interstate Commerce Commission and the railroads doing business in the Territory of Hawaii became subject to the Act to the same extent as did railroads on the mainland. At first it was thought by some of the railroad people that this would work a hardship on the railroad companies; but it has been found by experience that there was no reason for this apprehension, and that the control of the Inter-state Commerce Commission has been found to be alike beneficial to the railroads and the public.

Yours very truly,
A. W. VAN VALKENBERG.
Honolulu, T. T., June 6, 1910.

KNOWN THE WORLD OVER.

The world's most successful medicine for bowel complaints is Chamberlain's Colic, Cholera and Diarrhoea Remedy. It has relieved more pain and suffering, and saved more lives than any other medicine in use. Invaluable for children and adults. For sale by all Dealers, Benson, Smith & Co., agents for Hawaii.

Fine Job Printing, Star Office.

BITULITHIC WINS \$60,000 CONTRACT

The following article appears in the Atlantic City Daily Press of May 26, a copy of which has been sent here by H. P. Wood, Secretary of the Hawaii Promotion Committee:

United Paving Company, of Atlantic City, has been awarded a large contract for laying bitulithic pavement on Baltimore avenue in the borough of Lansdowne, Penna., which is in Delaware County, just a few miles out from Philadelphia. This contract amounts to about \$60,000.

In contracting circles both in Atlantic City, Philadelphia and throughout this entire territory, the awarding of this contract to United Paving Company is recognized as quite a victory for that company and for the Bitulithic pavement, on account of the long drawn out fight that has been waged over the awarding of this contract.

Baltimore avenue is the main thoroughfare extending out from Philadelphia and through several of the leading suburban boroughs and cities, and is a heavily trafficked driveway, especially by automobiles, it being the leading thoroughfare through the Borough of Lansdowne.

Lansdowne is essentially a residential center and most of the voters there are men prominent in the business and professional life of Philadelphia and the surrounding country. The members of Council are men of business and social standing and whose integrity is not to be questioned and who are known by every one to do only what they deem to be the best interest of the entire community. Notwithstanding their standing in the business and social world, these gentlemen were subjected to

the most scurrilous attacks which could be heaped upon them by certain untruthful and unscrupulous puppets of both the Asphalt and Brick Trust, whose emissaries concentrated their combined efforts to prevent the awarding of this contract for Bitulithic.

Bids were first received on Bitulithic and brick for this work early in August, 1909, and although the majority of the members of Borough Council then favored the adoption of Bitulithic, it was, by common consent, agreed to reject all bids and lay the matter over until this spring. New specifications were prepared which admitted several forms of pavements which had not been specified in 1909, and new bids were received on April 22nd of this year. After making a thorough investigation, both by personal inspection of the oldest Bitulithic pavements ever laid, and by receiving favorable replies from the city officials of more than half a hundred cities in the United States in which Bitulithic pavements have been laid, to whom they wrote letters of inquiry, five out of the seven members of Lansdowne Council were strongly of the opinion that Bitulithic was the best modern form of street paving to be had, and, therefore, voted for the award of the contract for Bitulithic to the Atlantic City Company, although at a much higher price than was bid for any other form of pavement.

It is significant that the only two members of Lansdowne Council who voted against Bitulithic were the two who did not personally inspect the oldest Bitulithic pavements laid in the several New England cities.

ROOSEVELTS LUNCH WITH GEORGE V

(Special Cable to The Star.)

LONDON, June 6.—Col. and Mrs. Roosevelt today took luncheon as the guests of King George V and Queen Mary.

CHICAGO, June 6.—Legal representatives of twenty-five western railroads have conferred to arrange to resist the government's injunction against raising rates, and to choose chief counsel.

TWO CRUISERS ARE COMING

The U. S. S. Cleveland and U. S. S. Chattanooga left Guam for Honolulu June 5, according to cable advice received by Rear-Admiral Rees, commandant naval station. They are expected here about June 17. After a short stay at Honolulu they will proceed respectively to San Francisco and Bremerton for repairs.

The Cleveland is a protected cruiser, 10 guns; 3,100 tons, 4,700 horse power; twin screws. At last advice her roster of officers was as follows: Commander Hugh Rodman, commanding; Lieut. Austin S. Kibbee, Lieut. Ben. K. Johnson, Ensign John B. Rhodes, Ensign Weyman P. Beecher, Ensign Richard T. Kieran, Ensign Geo. W. Kenyon, Ensign J. M. Schelling, Ensign G. H. Laird, Ensign Grattan C. Diehman, Asst. Surgeon Herbert L. Kelley, Passed Assistant Paymaster J. H. Gunnell, Gunner H. Rieck, Chief Machinist Charles A. Rowe, Machinist Martin Huber.

The Chattanooga is a protected cruiser, 10 guns, 3,100 tons, 4,700 h.p.; twin screws. Her roster of officers here follows: Commander John D. McDonald, commanding; Lieut. C. K. Jones, Ens. Nelson H. Goss, Ens. J. J. London, Ens. R. L. Lowman, Ens. G. A.

Alexander, Ens. Cortlandt C. Baughman, Asst. Surgeon H. L. Smith, Passed Asst. Paymaster R. B. Lupton, Boatswain C. H. Foster, Chief Machinist F. P. Mugan, Machinist Harry Champeno.

NEW RICE MILL

The K. Yamamoto Rice Mill is the largest as well as the finest in the islands. All machinery is of the very latest pattern. The famous Tengu Rice is cleaned at this mill. With the large cleaning capacity they are able to handle considerable outside particular work which they guarantee.

MERCHANTS EXCHANGE REPORT

Monday, April 6.
San Francisco—Arrived June 5, S. S. Hilonian, from Kahului.
San Francisco—Sailed June 5, Bk. R. P. Rithet, for Honolulu.
San Francisco—Arrived June 6, S. S. Columbian, for Salina Cruz.
San Francisco—Sailed June 6, U. S. A. T. Logan, for Honolulu.
Port San Luis—Arrived June 6, S. S. Santa Rita hence May 25.
Tacoma—Sailed June 6, S. S. Misourian, for Honolulu.

The Sierra will have a full cargo of sugar this trip to the coast.

CORPORATIONS GIVE 32 PER CENT OF TAXES

(Associated Press Cable to The Star.)

WASHINGTON, D. C., June 6.—The report of the commission of corporations, issued today, shows that of the total state tax receipts New York derives about 32 per cent from corporations. For state purposes corporate taxation is by special taxes. Local taxation of corporations is by a general property tax on both realty and personally. Thus the separation of state and local taxation is nearly complete.

The "capital-stock tax" is quite complex and applies to a very large number of corporations. It is based on capital stock measured by assets employed in the State; and the rate varies according to dividends, solvency, and the market price of the stock. In legal theory, it is a tax on franchise, or on the privilege of doing business within the state, and not a tax on property.

Railroads are taxed on both capital stock and on gross earnings. Surface lines operated by motive power other than steam are taxed on gross earnings and on dividends in excess of 4 per cent.

Shares of stock are not taxed in the hands of holders. Debts may be deducted from the entire amount of personal property instead of from credits alone. "Special franchises" (for use of highways by public-service companies) are valued by a state board, but are taxed locally for local use. These special franchises are declared by statute to be real estate (thus preventing the deduction of debts, bond issues, etc., from the amount of the assessment). This statute is also somewhat unusual in principle, as it adds to the valuation of the physical property the value of certain intangible franchise rights. Foreign corporations are practically subject to the same taxes as domestic companies.

The total amount of taxes for state purposes from all sources for the year ended September, 1909, was approximately \$29,000,000. Of this a little less than one-third was from corporations. The next largest single item of revenue was from liquor licenses, which in five months produced over \$5,000,000. The major portion of the remaining taxes is from inheritances (about \$7,000,000) and stock transfers (about \$5,000,000). The capital stock tax produced about \$2,000,000.

RAILROAD MEN CONSULT TAFT

WASHINGTON, D. C., June 6.—Three railroad presidents conferred today with President Taft.

THE HAGUE, June 6.—The British-American fisheries arbitration has opened. Professor Laumach of Austria is presiding. The English case is presented by Sir Robert Finley.

WASHINGTON, D. C., June 6.—Col. Bixby has been nominated chief of engineers and General Edwards has been renominated chief of insular affairs of the war department.

SAN FRANCISCO, June 6.—Johnson, the negro pugilist who is to meet Jeffries on July 4, announces that he will be his own manager until after the big fight.

NEW ARRIVALS AT SACHS.

Among the new goods received at the Sachs Dry Goods Co., Fort and Beretania Sts., is a large assortment of Shirt Waists, Muslin and Knit Underwear, Lingerie Hats, Grass Linens and Silks. Their new Auto Bonnets are unusually attractive.



The only baking powder made with Royal Grape Cream of Tartar. No Alum, No Lime Phosphate.



Gray-Calf Oxfords to match that grey suit. In the window—SEE THEM.

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